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**Spice News**

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## Spices and Extracts Raw materials - crop/market update

### Paprika

#### India:

In Dharwad, Haveri, Gadag and Bagalkote districts of Karnataka state, harvesting has started from the second week of December. Drying and grading operations are going on in the fields. Area of cultivation in the above mentioned districts had decreased considerably and expected crop size is around 60% lower than normal. Lack of rainfall during the sowing/planting period in June & July and excess rainfall during August & September had heavily damaged the crop in the above mentioned districts. In Bellary, Raichur and Gulberga districts, area of cultivation had increased by 5 -10% compared to last season. Most of the farmers cultivated hybrid varieties of chilies instead of traditional varieties of chilies such as KDL & Dubby. The hybrid varieties are not suitable for extraction. There is no major damages to the crop till date. Harvesting here will start from middle of February 2020 and it will continue till the end of March. In Karnataka state, we are expecting around 30 % decrease in the total crop size of colour chili compared to the normal.



Carry over stock of colour chili in the cold storages is almost nil. We expect that the price of colour chili may reduce slightly during the peak harvesting period from middle of February to middle of March 2020. But we are not expecting any drastic reduction in price due to low carry over stock and increased demand from local traders and curry powder manufacturers. Increase in the prices of heat chilies would result in increased prices for lower color oleoresin paprika.

#### China:

In Xinjiang province, harvesting is already finished, total estimated crop size of paprika was around 10% higher than last season due to better yield, thanks to the good climatic conditions. However, prices have increased by around 10% due to:

1. Low carry over stock of ORP
2. Increase in the demand of pellets from ORP manufacturers
3. Increase in the price of ORP in the domestic market in China
4. Increase in the demand of sweet paprika from the manufacturers and exporters of whole chili and powder.



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Farmers in Xinjiang province who cultivated paprika during this season had earned good profit and it may encourage the farmers to cultivate paprika in more areas for the next season.

*OR Paprika prices have gone up.*

## Black Pepper

In Sri Lanka, the harvesting of light berries has almost finished, estimated crop size for this harvest season is around 300-400 MT, which is an average quantity for the smaller harvest. Availability of good quality black pepper light berries in the Sri Lankan market is very low. Next main harvesting season would be in April-June, 2020.

In Vietnam, the harvesting of light berries had started from the end of November, availability of good quality light pepper with above 6% piperine is low compared to the last season.

In Indonesia, harvest season has finished. Carry over stock is very limited, next harvest season may start from July 2020.

*Expecting almost stable price trend for the rest of the year.*

## White Pepper

In Vietnam and Indonesia, the price trend of white pepper is stable, it would follow the price trend of black pepper.

## Turmeric

**India:** In Gundlupet, Karnataka, harvesting has started and dried turmeric may arrive to the market from middle of February. Expected crop size is around 5-10% higher than last season. Climatic conditions in the growing areas are favourable. Carry over stock of extraction quality turmeric is very limited, which might result in increased prices during the early harvest period, however, we are expecting slightly downward price trend during the peak harvest period in March 2020. In Maharashtra, area of cultivation of turmeric has increased by around 20% compared to the last season, climatic conditions are favourable. Carry over stock of Kocho turmeric is almost NIL. Arrival of new crop into the market may start from the beginning of February till middle of April. In Tamil Nadu, which gives panangali (mother) turmeric, area of cultivation of turmeric has decreased by around 10-15%, compared to the last season. There was shortage of rain in almost all turmeric growing areas in Tamilnadu during the period of sowing. There is no incidence of disease for the plant, harvesting season may start from the beginning of March.



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**Myanmar:** According to the trade sources, the area of cultivation is almost same as last season. Carry over stock is limited, next harvesting season may start from the beginning of February. Expected crop size is almost same as last season.

**Nigeria:** Harvesting of turmeric has just started. Estimated crop size is almost same as last season.

**Vietnam:** Area of cultivation has reduced by around 30% compared to the last season. Low prices prevailed in the market for turmeric during the last year discouraged the farmers in cultivating turmeric into more areas. Harvesting season may start from the end of January.

*Turmeric/Curcumin prices stable.*

## Heat Chili (Capsicum)

Prices of heat chili touched record high during the last months, an increase of around 2.4 times compared to the peak season in March-May 2019. Area of cultivation of teja chili is almost same as last year, whereas other varieties have increased by around 5-10% compared to last year. Around 20% of the total crop (both teja and other varieties) have been damaged due to diseases - virus attack, die back diseases and fruit rot disease. Transplantation was delayed by 30-40 days due to heavy rain during the normal transplantation period in August, this would delay harvest also. Since the prices of all varieties of chilies are attractive for the last 7 months, farmers are maintaining the farms very well. Fields with virus attack or wilt diseases are not there, chili plants are healthy. Estimated crop size of teja chili is around 20% higher than last season (In the last season, teja chili crop was around 30-40% lower than normal). Expecting increase in the crop size of the other varieties of chilies by 5%, compared to the last season. Carry over stock of teja chili is NIL. Carry over stock of other varieties of chili also is very limited. Since all buyers are also holding very low stock of chili we can expect high demand and high buying pressure from buyers (especially demand from oleoresin manufacturers and exporters for teja and 4884 - the two varieties of high heat chilies). Peak arrival will be from end of February to middle of March, 2020. We expect the prices to soften during this time, but not to the levels as in 2019. Climatic conditions in the growing areas for the next four months are also very critical.

*Red Pepper / Chili / Oleoresin Capsicum prices have increased from the low levels of 2019, and almost stable now.*



## Ginger

In Karnataka and Kerala, area of cultivation has increased by around 20%, compared to last season. Heavy rains in the ginger growing areas in Karnataka during the month of August and September had heavily damaged the crop. Harvesting has just started and

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the dried ginger may arrive to the market from the middle of January onwards. Price of fresh ginger in the domestic market is very high for the last five months. It may discourage the farmers in drying their produce. However, we are expecting stable prices.

In Nigeria also, harvesting has started, price trend is slightly upward.

*Ginger prices stable.*

## **Nutmeg & Mace**

In India, harvesting of nutmeg has already finished. Crop was around 20% lower than normal due to unfavourable climatic conditions. Price trend is slightly upward for the last two months. Next harvesting season may start from May 2020.

In Indonesia, the price trend of nutmeg and mace is slightly upward for the last two months.

*Nutmeg prices stable, mace upwards.*

## **Celery**

In India, area of cultivation is almost same as last year. Normal carry over stock. Next harvest will be by May 2020.

*Celery prices stable.*

## **Coriander**

In India, sowing has completed in the major growing areas in Gujarat and Rajasthan. We are expecting around 10% increase in the area of cultivation compared to normal. Next harvest season may start from March 2020. In 2019 there was crop failure for coriander in other producing countries such as Ukraine, Russia, etc.

*Expecting stable price trend.*

## **Fenugreek**

Sowing has completed in the major growing areas in Madhya Pradesh, Gujarat and Rajasthan. Area of cultivation is almost same as last year. Climatic conditions are

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favourable for the crop. Next harvest season may start from March 2020.

*Expecting stable price trend.*

## Cardamom

In India, harvesting is expected to be completed by end of January 2020. Crop size is around 35-40% lower than last year. Price is highly volatile.

*Cardamom prices going up and volatile.*

## Cumin

Sowing has completed in the major growing areas in India. Area of cultivation in Rajasthan and Gujarat has increased to 39265 Ha, compared to 28431 Ha in the last season. Current attractive prices of cumin is encouraging farmers to cultivate cumin in more areas. Next harvest may start in March 2020. We are expecting stable price trend till the next harvesting season.

*Current price trend is stable.*

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All queries / inquiries may please be directed to [info@akay-group.com](mailto:info@akay-group.com)

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Mark your calendar:



March 8-11, 2020  
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Kerala, India.